

Section VIII

CAPITAL IMPROVEMENT PROGRAM

The City of Missouri City Capital Improvement Program (CIP) is a process by which the City develops a multi-year plan for major capital expenditures that matches available resources and satisfies the City tax rate stabilization objective. Capital projects included in the Capital Improvement Program are limited to projects costing \$50,000 or greater with a useful lifespan of twenty (20) years or longer.

Section 9.03 of the City Charter, Chapter A-11 - Annual Budget, requires a capital program which may be revised and extended each year to indicate capital improvement pending or in the process of construction or acquisition, and shall include the following items:

- a) A summary of proposed programs,
- b) A list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years next ensuing, with appropriate supporting information as necessary for such improvements,
- c) Cost estimates, method of financing and recommended time schedules for each such improvement, and
- d) The estimated annual cost of operating and maintaining facilities to be constructed or acquired.

Section 9.06 of the City Charter, Lapse of Appropriations, states the following:

Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the intended purpose has been accomplished or abandoned. The purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation.

This Capital Improvement Budget, Volume II, contains detailed descriptions and justifications for each project with expenditures in the 2016 fiscal year and future years. Prior years' expenditures for completed projects are included in the Prior Years Projects pages. Each detailed sheet contains prior year capital expenditures through fiscal year 2014. It also includes expenditures estimated for Fiscal Year 2015, the estimated future cost for Fiscal Year 2016, along with estimated project costs for Fiscal Years 2017-2020.

CAPITAL IMPROVEMENT PROGRAM DEVELOPMENT

As in the previous bond elections, the City Council appointed a Citizens Advisory Committee in 2014 for the 2014 bond election to review the long term needs of the City. Supported by city staff, the Committee prioritized the needs and determined how much funding should go to public safety, drainage, transportation and facilities.

On September 13, 2003, a \$75,000,000 bond issue was approved by the voters by a 3:1 margin. On November 4, 2008, the voters approved a \$17,500,000 bond issue for park and recreation public improvements by a 2:1 margin. On May 10, 2014, a \$40,000,000 bond issue was approved by the voters by a 3:1 margin.

FINANCIAL PERSPECTIVE

Each year in the budget process, city staff projects capital expenditure needs for the next five years. Future maintenance and operational costs are to be considered so that impact on the general operating budget is considered before projects are approved.

Where applicable, assessments, impact fees, pro rata charges, interest earnings, contributions from developers and other government agencies are used to leverage project costs. Projects are supplemented with city staff labor and city-owned equipment whenever possible, cost effective, and to keep the project within budget.

The total projects costs are adjusted yearly to account for these contributions whenever possible. As projects are finalized or priorities change during the year, budget estimates are submitted to City Council for adjustments to current or future year projects.

PLANNED FUNDING / SCHEDULING OF BOND ISSUES

The implementation schedule was developed in phases to meet the following criteria:

- 1) To assure the sale of bonds was scheduled so that the debt service fund would not be impacted by more than a \$0.04 property tax increase overall in both the 2003, 2008 and 2014 bond elections.
- 2) Financing is provided by the cash flow approach, whereby bonds are sold as needed to generate enough cash flow for project commitments within the phased schedule.

===== FY 2016 ANNUAL BUDGET =====

BOND ELECTIONS

BOND ELECTION YEAR	CATEGORY	BOND AUTHORIZED	BOND ISSUED TO DATE	UNISSUED BALANCE TO DATE
2003	DRAINAGE	20,000,000	6,045,000	13,955,000
2003	FACILITIES	2,110,000	2,110,000	-
2003	MUNICIPAL COURT	1,030,000	1,030,000	-
2003	PARKS & RECREATION	15,550,000	15,550,000	-
2003	PUBLIC SAFETY	8,200,000	6,470,000	1,730,000
2003	TRANSPORATION	28,110,000	26,125,000	1,985,000
2008	PARKS & RECREATION	17,500,000	15,905,000	1,595,000
2014	DRAINAGE	6,500,000	-	6,500,000
2014	PUBLIC SAFETY	5,000,000	-	5,000,000
2014	TRANSPORATION	22,800,000	-	22,800,000
2014	FACILITIES	5,700,000	-	5,700,000
	TOTAL	132,500,000	73,235,000	59,265,000

PROJECTED BOND SALE

BOND ELECTION	CATEGORY	FY2016	FY2017 PROJECTED	FY2018 PROJECTED	FY2019 PROJECTED	FY2020 PROJECTED
2003	DRAINAGE	242,000	5,222,000	3,650,000	3,802,000	1,039,000
2003	PUBLIC SAFETY			457,000		1,273,000
2003	TRANSPORATION	1,985,000				
2008	PARKS & RECREATION	305,000	1,030,000	260,000		
2014	DRAINAGE					6,500,000
2014	PUBLIC SAFETY					5,000,000
2014	TRANSPORATION	190,000	7,595,000	3,230,000	6,793,000	4,992,000
2014	FACILITIES	400,000		2,275,000	75,000	2,950,000
	TOTAL BY YEAR	3,122,000	13,847,000	9,872,000	10,670,000	21,754,000

===== FY 2016 ANNUAL BUDGET =====

GENERAL CAPITAL IMPROVEMENT PROGRAM - FIVE-YEAR SUMMARY

	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
Proposed Funding Summary - General C.I.P.					
Projected Balance Rollover from Prior Year:	955,859	296,891	432,122	662,282	255,529
GO Bonds:					
GO Bond - 2003 Election	2,227,000	5,222,000	4,107,000	3,802,000	2,312,000
GO Bond - 2008 Election	305,000	1,030,000	260,000		
GO Bond - 2014 Election	590,000	7,595,000	5,505,000	6,868,000	19,442,000
Proposed Bond Sales	3,122,000	13,847,000	9,872,000	10,670,000	21,754,000
Estimated Metro 1/2 Cent Sales Tax:	3,244,800	3,374,592	3,509,576	3,649,959	3,795,957
Other Funding Source:	100,000				
TOTAL PROJECTED FUNDINGS - GENERAL C.I.P.	6,466,800	17,221,592	13,381,576	14,319,959	25,549,957
Proposed Project Costs Summary - General C.I.P.					
Drainage	365,168	5,222,362	3,650,000	3,801,712	7,539,743
Facilities	400,000		2,275,000	75,000	2,950,000
Parks and Recreation	305,000	1,030,000	260,000		6,273,802
Public Safety			551,415		
Transportation	6,055,600	10,834,000	6,415,000	10,850,000	9,041,941
TOTAL PROJECTED EXPENDITURES - GENERAL C.I.P.	7,125,768	17,086,362	13,151,415	14,726,712	25,805,486

===== **FY 2016 ANNUAL BUDGET** =====

OPERATING COSTS ASSOCIATED WITH CAPITAL IMPROVEMENT PROGRAM

Overall, the Capital Improvement Program has been focused on adding value and extending life to the City infrastructure without adding a substantial increase in current operating costs.

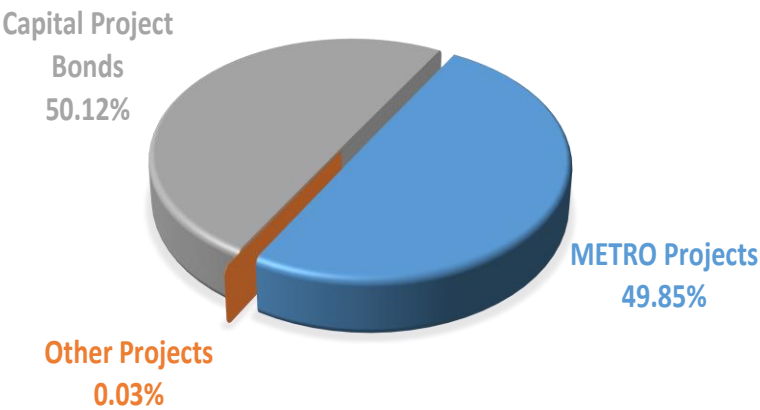
Only projects which will have associated increases over the already budgeted operating costs have been listed below. Most of the operating cost increases are for property insurance, electric, water, and gas utilities for facilities, and insurance, fuel and repair costs for major equipment. Personnel costs associated with a particular project have been listed separately.

<u>Project Number</u>	<u>Project Description</u>	<u>Fiscal Year</u>				
		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
10003	Major Equipment		2,500	3,500	3,500	4,500
*TBA	City Hall Lobby Standing Seam Roof Replacement			1,000	1,000	1,000
*TBA	PSHQ Fire Alarm System		500	500	500	500
50029	Additional Traffic Signals			2,000	2,000	3,000
50046	ROW Management		2,500	3,500	3,500	4,500
*TBA	Sign Shop Expansion					1,500
*TBA	Fire Station #6					5,000
*TBA	Fire Engine (Station 6)					2,500

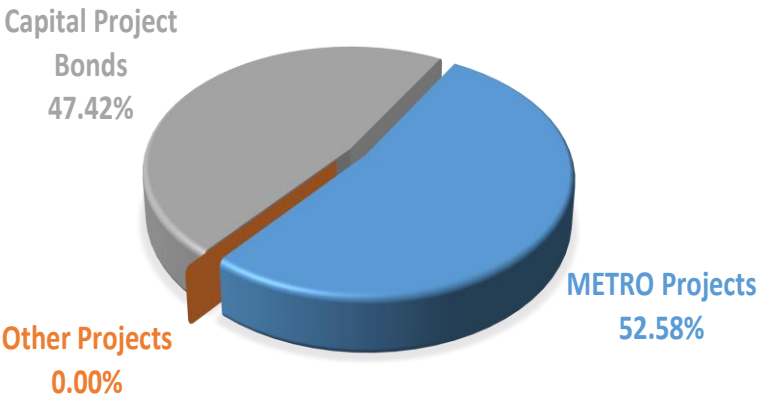
*TBA To be assigned - projects have not started yet.



REVENUES AND RESOURCES BY FUND-
GOVERNMENTAL
\$6,557,685



EXPENDITURES BY FUND-GOVERNMENTAL
\$7,170,768



**SUMMARY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY
METRO PROJECTS FUND
401-40-401**

	FY 2014 <u>Actual</u>	FY 2015 Original <u>Budget</u>	FY 2015 Year-End <u>Estimate</u>	FY 2016 Adopted <u>Budget</u>
REVENUES & RESOURCES				
Interest Income	41,025	35,000	40,750	24,000
Miscellaneous				
Metro - 1/2 cent sales tax rebate	<u>3,280,552</u>	<u>3,120,000</u>	<u>3,120,000</u>	<u>3,244,800</u>
Total Revenues	3,321,577	3,155,000	3,160,750	3,268,800
TOTAL REVENUES & RESOURCES	3,321,577	3,155,000	3,160,750	3,268,800
EXPENDITURES				
Issuance Expense				
CIP				
Transportation	2,497,491	2,562,000	3,662,901	2,970,600
Other Projects	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	2,497,491	2,562,000	3,662,901	2,970,600
OTHER FINANCING USES				
Transfer to General Fund	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
Total Other Financing Uses	800,000	800,000	800,000	800,000
TOTAL APPROPRIATIONS/EXPENDITURES	3,297,491	3,362,000	4,462,901	3,770,600
NET REVENUES OVER/(UNDER) EXPENDITURES	24,086	(207,000)	(1,302,151)	(501,800)
BEGINNING FUND BALANCE JULY 1	3,131,131	1,583,037	3,155,217	1,853,066
ENDING FUND BALANCE JUNE 30	3,155,217	1,376,037	1,853,066	1,351,266

**SUMMARY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY
OTHER PROJECTS FUND
402-40-402**

	FY 2014 <u>Actual</u>	FY 2015 Original <u>Budget</u>	FY 2015 Year-End <u>Estimate</u>	FY 2016 Adopted <u>Budget</u>
REVENUES				
Proceeds-Certificates of Obligation	990,000	625,000	0	0
C.O. Premium	4,804	0	0	0
Interest Income	<u>8,883</u>	<u>6,500</u>	<u>11,030</u>	<u>1,885</u>
Total Revenues	1,003,687	631,500	11,030	1,885
OTHER FINANCING RESOURCES				
Transfer from Information Tech Maintenance Fund	<u>517,460</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Resources	517,460	0	0	0
TOTAL REVENUES & RESOURCES	1,521,146	631,500	11,030	1,885
EXPENDITURES				
Issuance Expense	35,161			
CIP				
Public Safety		625,000	36,246	
Other Projects	<u>1,098,846</u>	<u>0</u>	<u>407,441</u>	<u>0</u>
Total Expenditures	1,134,007	625,000	443,687	0
TOTAL APPROPRIATIONS/EXPENDITURES	1,134,007	625,000	443,687	0
NET REVENUES OVER/(UNDER) EXPENDITURES	387,140	6,500	(432,657)	1,885
BEGINNING FUND BALANCE JULY 1	170,210	106,247	557,350	124,693
ENDING FUND BALANCE JUNE 30	557,350	112,747	124,693	126,578

CAPITAL IMPROVEMENT PROGRAMS GROUP DESCRIPTIONS

PUBLIC SAFETY

Public Safety Capital Projects can be categorized into three major areas: facilities, major equipment, and capital upgrades to communications. Facilities projects have included fire stations, emergency operations, training facilities, existing building renovation, and building upgrades. Fire engines and fire fighting equipment are included in the major equipment component. Capital upgrades to communications comprises of mobile technology in police and fire vehicles and the infrastructure required to operate the mobile network.

DRAINAGE

Drainage Capital Projects fall into four major areas: master drainage plans, major drainage infrastructure construction based on the studies, maintenance/repairs to existing facilities, and major equipment for constructing and maintaining drainage projects. The master drainage plans and construction projects have the goal of removing/preventing all structures from being in the 100-year flood plain. Also existing facilities and drainage structures that require major reconstruction/rehabilitation are funded by the Drainage CIP. Equipment such as Gradalls, dump trucks, and mowers are purchased for project construction and drainage infrastructure maintenance.

TRANSPORTATION

Transportation Capital Projects consist of the following categories: new roads, traffic signals, ITS (Intelligent Traffic System), traffic studies, and transportation infrastructure recapitalization. Projects build new roads and signals based on the City's Traffic Management Plan and traffic studies. ITS is a major component that incorporates upgrading existing traffic signals, linking them via fiber optics or wireless technology, tying them into a centralized control center, and utilizing the network to synchronize the signals to improve traffic flow throughout the City and the region. Transportation infrastructure recapitalization includes major street and bridge reconstructions or rehabilitations.

PARKS & RECREATION

Parks & Recreation Capital Projects comprise of the following types of projects: regional park improvements, minor park improvements, beautification, trails, and facilities. Regional park improvements consist of major projects that build roads, ball fields, restrooms, pavilions, boat ramps, and other major park features. Minor park improvements include constructing signage, playground structures, and other features in smaller parks. Beautification is for monument signage and landscaping at the City's gateway entrances. Trails funds are used to build the network of trails as defined by the City's Trail Master Plan. Facilities have included maintenance buildings, and construction of the City Centre at Quail Valley and the Recreation and Tennis Center facilities.

FACILITIES

Facilities projects have consisted of new construction, renovation, and upgrades of existing facilities to accommodate staff growth and building reuse. These buildings are for general public use and do not fall under the other capital project categories. The City Hall complex was renovated according to a space utilization study, and underwent an upgrade to the electrical system and HVAC system.

OTHER PROJECTS

Other Projects can be categorized major equipment purchases which have been funded by Certificates of Obligation. Certificates of Obligation with a shorter repayment schedule are used to make these purchases as the type of equipment being purchased has a shorter life than the major equipment being purchased with General Obligation Bond funds. These projects were generally vehicle and computer equipment purchases before the City set up replacement funds for these types of purchases

METRO PROJECTS

METRO Projects were short-lived projects which improved mobility in the City. The projects were funded by the Metropolitan Transit Authority (METRO) Street Maintenance and Traffic Control reimbursements.

UTILITY CONSTRUCTION

These projects construct the plants, transmission lines, lift stations, and appurtenances necessary to provide water, and wastewater utility services in the Steep Bank/Flat Bank Creek, and Mustang Bayou service areas. The Surface Water Treatment Plant covers the entire city and a portion of the City’s extra-territorial jurisdiction to regulate the withdrawal of groundwater to prevent ground subsidence that contributes to or precipitates flooding. As these plants become operational, they will be moved to Enterprise Funds and operational costs recovered through user fees.

